

Annexure 'B'



TREASURY & ACCOUNTS DEPARTMENT
Head Office
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STANDARD OPERATING PROCEDURE (SOP)
FOR
SAFE DEPOSIT LOCKER (SDL)/SAFE CUSTODY ARTICLES (SCA)
FACILITY AT BRANCHES

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Standard operating procedure (SOP) for Safe deposit locker (SDL) facility at the Branches is as given under:

PART I: Facility of Safe Deposit Locker (SDL) at Branches

1. Safe Deposit Locker facilities are provided in selected Branches of our Bank.
2. SDL are provided while opening new Branches by considering the demand and security aspects.
3. Whenever in the existing Branch if, all the existing SDL are let out, Branch shall place indent with Treasury and Accounts Department, HO for supplying SDL duly mentioning the type of locker which is having demand as per the waiting list maintained at the Branch. The Branch shall also furnish details of existing lockers in the form of an "Annexure for lockers" (**Annexure-XL**) along with the indent. The form "Annexure for lockers" contains details such as total number of locker units already available at the Branch, number of vacant lockers, arrears of locker rent, the total cost of lockers, return on investment etc.
4. The Treasury and Accounts Department, HO shall supply SDL to Branches after going through the details furnished in the "Annexure XL" and obtaining permission from the concerned authority as per the delegated powers.
5. After receiving the SDL at the Branch, the Branch shall ensure that the identification Code of the Bank/Branch is embossed on all the locker keys to facilitate identification of lockers / locker ownership by law enforcement agencies in case of need. Further, the custodian of the locker shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. The Branch shall permit the locker-hirer to operate the locker only with the key provided by the branch, although there is no restriction in allowing the customer to use an additional padlock of her /his own if there are provisions in lockers.

PART II: Allotment of SDL and opening of Account

1. Whenever the customer approaches Branch for availing locker facility, Branch shall allot locker in case the type of locker demanded by the customer is readily available and if there is no waiting list of customers, which shall be verified in the waiting list software provided in the Core Banking System (CBS).

2. In case the lockers are not available for allotment, the Branch shall enter details of the customer and choice of locker in waiting-list in Core Banking System (CBS) for allotment of lockers and ensure transparency in allotment of lockers. The waiting list shall contain details such as the Savings Bank Account number of the customer, if any, mobile number and type of locker which customer wants i.e whether small, medium or big.

3. The facility is also provided in the website/ KBL mobile app for booking lockers online for both existing customers as well as new customers. In case the lockers are available for allotment, the software will block the unit for the locker selected by the existing customers/ new customer and allot them reference numbers and instructions to contact the Branch within 5 working days to complete KYC and other formalities. In case the lockers are not available, the waiting list number will be generated for the customer along with the reference number.

4. Whenever the customer approaches the Branch for the allotment of the locker, the Branch has to ensure that the details of the customer are entered in the waiting list software without fail.

5. Whenever lockers are available for allotment due to surrender of locker/ purchase of new SDL unit and updating the same in locker module, the SMS/e- mail will be sent to the customers as per the waiting list to visit the Branch for allotment of the locker.

6. Whenever the customer visits the Branch after receiving the message, the Branch shall allot the Locker/s after fulfilling all the guidelines issued from time to time. Before allotment of lockers, Branches shall verify whether the customer is having a Savings Bank account with the Branch or any of our Bank Branch. If not, the Branch shall offer to open a Savings Bank Account for the customer. If the customer doesn't want to open Savings Account, Branch shall allot the locker only after obtaining of all documents required for KYC & obtain FD as detailed below.

i)Fixed Deposit as Security for Lockers:

To ensure prompt payment of locker rent, Branches are allowed to obtain a Term Deposit at the time of allotment, which would cover three years rent and charges for breaking open the locker as charged by the service provider in case of such eventuality.

Branches, however, will not insist on such Term Deposits from the existing locker holders or those who have a satisfactory operative account. Further, the Branch will not obtain such deposits which are beyond the scope of above mentioned terms.

ii) A Locker can be hired by any person on execution of the following documents:-

a) Agreement for letting of Safe Deposit Lockers

b) Documents evidencing the constitution of the hirer/s.

c) Customer due diligence as per KYC norms applicable to the hirer/s

d) Standing instructions for yearly rent collection

e) Recent passport size photographs of locker hirer and individual/s authorized by locker hirer/s to operate the locker

The documents under items (a) & (b) above should be signed by the hirer/s, all the partners or the person / all persons duly authorized in the case of joint hirers, partnership firms and corporate bodies respectively indicating the constitution. Hirer/s other than individuals may desire to authorize one or more persons to operate the Locker. In such cases, necessary authority letter along with photograph/s of the person/s so authorized with their specimen signature/s duly attested thereon should be obtained from the hirer/s. It should be noted that the person/s so authorized is / are not empowered to delegate his / their authority further.

In the case of joint hirers, the standing instructions for operation of Lockers whether "jointly" or "either or survivor" or "former or survivor" should be obtained in the form specified by the Bank.

The specimen signature/s of the hirer/s who is / are entitled to operate the Locker should be obtained in **F.No.565** specified by the Bank affixing the recent photograph/s and indicating the Locker number/s and key number/s therein.

In the case of Locker hired by an illiterate person, two copies of recent photograph should be obtained together with the thumb impression and they should be duly attested by at least two persons in F.No.565.

A minor can hire a Locker if represented by natural or legal guardian. On attaining majority, fresh agreement, duly confirming the correctness of the previous transactions which have taken place be obtained from the hirer (now major) and held in the file.

7. The Branch shall open an Account in the Locker module of CBS and update the Savings Bank account of the customer to collect the locker rent automatically by the system at the beginning of the succeeding Financial Year. In case SB account is not available, the Branch shall open an Account in locker module by creating a customer ID based on KYC Documents submitted by the customer & obtain FD as detailed in Sl.no.6 above.

8. The Branch shall collect the rent in advance for the current Financial Year and also obtain a duly signed locker agreement from the customer. The rent will be effective from the 1st of the month in which the locker is let out irrespective of the date of letting out. When fresh lockers are let out in the middle of a Financial Year, rent for the subsequent Financial Year should also be collected in advance along with the current year's rent. To illustrate, if the locker is let out in February 2022, rent for 14 months from February 2022 to March 2023 need to be collected

9. If the customer is already having Savings Bank Account, the Branch shall ensure that the Re-KYC is done without fail.

10. Branch shall enter all the details of the customers in the Locker ledger sheet and obtain the signature of the customer/s.

11. Locker agreement: At the time of allotment of the locker to a customer, the branch shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. A copy of the locker agreement in duplicate signed by both the parties i.e. Customer and Branch Head/ABM shall be furnished to the locker-hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the Branch.

12. The Locker facility can be availed by the customer in single name/ joint names. The mandate for locker operation may be self/ jointly/ either or survivor. The nomination for the locker account shall be obtained without fail.

On obtaining the documents as stated in Para 6 above, and on collection of the prescribed rent, the key of the Locker allotted can be handed over to the hirer/s along with the Locker Card (perforated portion of F.No.565) and due acknowledgement thereof shall be obtained in F.No.565.

The particulars of Locker allotted to the hirer/s should be entered in F.No.565 under due authentication of the Authorized Official. The production of the Locker Card and comparison with the photograph affixed to the F.No.565 help the authorized official to identify the hirer/s. Issue of lockers should be captured in CBS on the day of locker allotment.

The branch shall obtain recent passport size photographs of locker-hirer/s and individual/s authorised by locker hirer/s to operate the locker and preserve in the records pertaining to locker hirer being maintained in the branch.

13. RENEWAL OF AGREEMENT:

i).The agreements for hiring Lockers obtained in Form No.565 are required to be renewed annually. In this connection, renewal **Form No.1334** (in quadruplicate) should be sent to the hirer/s at least one month in advance. The hirer/s is/are required to return three copies (by retaining the first copy for themselves) duly signed along with the remittance of advance rent for the renewal period before the due date.

ii).On receipt of the remittance of the advance rent together with the renewal in Form No.1334 from the hirer/s, the renewal of the agreement should be recorded in Form No.565, after duly verifying and satisfying the correctness of the particulars furnished. The duly signed renewal acceptance in Form No.1334 should be held in a separate file titled "Locker Renewal File" and kept in double lock.

iii).The due dates of Locker Agreements should be properly diarised with reference to F.No.565 to enable easy follow-up of renewal of Lockers.

iv). It should be noted that the renewal of agreements in the manner stated above contemplates the continuance of the terms & conditions originally agreed upon.

14. TERMINATION OF AGREEMENT

i.The termination of an agreement may take place under the following circumstances:

a. The hirer/s may desire to discontinue the facility either at the time of renewal or earlier.

b. The Bank may compel the termination of the facility owing to non-payment of rent or any other reason warranting the Bank to take such a step.

ii. When the hirer/s desire/s to terminate the agreement as stated above, the Locker Card duly filled in and signed by the Locker hirer/s on the "Request for surrendering" portion together with the Locker Key should be surrendered.

iii. On receipt of the letter, the termination is recorded in the document Form No.565. Before recording the termination, the correctness of key number surrendered should be verified with the document Form No.565. The related Locker should be opened to ensure that valuables / documents have not been left behind. Arrears of rent, if any, should be collected at the time of termination of the agreement.

iv. Surrendering / termination of lockers shall be noted in Locker Module.

v. All the papers connected with the terminated Locker Agreements should be kept in a file titled "Closed Lockers File".

15. Allotting lockers to illiterate customers

A Safe deposit locker may be allotted to illiterate customers in exceptional cases after verifying the need of the customer. The terms and conditions and details in the agreement will be explained to the customer in vernacular language which is known to the customer and needs to be witnessed. His/her left-hand thumb impression shall be affixed on the documents (application form and agreement) in the presence of the Branch Manager. Whenever he/she operates the Locker his LTI (Left Thumb impression) should be obtained in **F.No.565** specified by the Bank.

16. Addition/ deletion of the hirer(s)

The Branch may at the request of all the locker hirer/s allow the addition or deletion of the joint hirer or allow an individual hirer to add the name of another person as a joint hirer. However, such addition / deletion of the original hirer should not result in the total change of the original hirer.

For the addition of joint hirer, KYC document of new hirer needs to be provided to Branch and a fresh agreement to be executed by all the hirers. The mode of operations of the locker has to be clearly mentioned in the agreement.

PART III: Locker operations by Customers

1. Monitoring and supervision of Lockers should be entrusted to one of the joint custodians in writing. When the hirer/s desire/s to operate Locker, the Locker Card should be verified to establish identity of the hirer/s. When properly identified, the hirer/s can be allowed to operate the Locker on obtaining his /their or authorized persons signature/s authenticating the date and time of such operation duly recorded in **F.No.566**.

2. The Joint Custodian holding the Master Key should help the hirer/s to locate the Locker, insert the Master Key to unlock the Locker and come out of the strong room with the Master Key so as to allow the hirer/s enough privacy. Master Key is not required to close the Locker. Thereafter, the hirer/s may open the Locker by using the Locker Key. Before the hirer/s leave/s the strong room, it should be ensured that the Locker in question has been properly locked and the Locker Key or valuables or documents have not been left outside.

3. Care should be taken to allow only one Locker hirer/joint hirers at a time for operating the Locker to ensure privacy. Efforts will be made to collect arrears of rent, if any, before allowing operation.

4. Locker operating charges are to be levied in accordance with the latest circular issued by the Head Office.

5. The Branch officer authorizing the locker-hirer to access the locker, after unlocking with the first key shall not remain present when the locker is opened by the locker-hirer. The branch shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers.

6. The branch shall maintain a record of all individuals, including the locker-hirers, who have accessed the lockers and the date and time (both check-in and check-out time) when the operation of the locker is done and obtain their signature. The ingress and egress register for access to Vault Room by locker-hirers or any other individual including the staff of the Branch shall be maintained to record the movement of individuals in the Vault Room area with their signatures at the appropriate place in the records i.e. in the **Form No.566**.

Apart from recording check-in & check-out time in **F.No.566**, the Branch should enter the same in CBS system as & when the locker is operated so that email and SMS alert will reach to the registered email ID and mobile number of the customer as a positive confirmation intimating the date and time of the locker operation and the redressal mechanism available in case of unauthorized locker access. The concerned officers in charge shall enter both check-in and check-out time in CBS without fail.

7. The Officer (Branch custodian) shall check the strong room immediately after the customer completes locker operation, and before the Locker hirer leaves Branch to ensure that they have not left the key/ ornaments/ any items in the strong room. If any left out article is found in the strong room, the same shall be handed over to the customer immediately after identification of the same and taking signature along with the date and time. In case the customer fails to identify the articles found in the strong room/ in case the Branch fails to identify/ trace the customer the same has to be sealed and kept in the double lock after entering the details in the register B-10.

8. The customer can operate the locker any number of times as per the mandate given while opening the account. However, the Branch shall collect the charges if the number of operations exceeds the limit for free operations as per the circular issued from time to time.

PART IV: Collection of locker rent

1. The locker rent shall be collected through the system during the first week of April every Financial Year. In case a sufficient balance is not available in the Savings Bank account of the customer, the lien shall be marked by the system for the dues.

2. The Branch shall take a report of lien marked in Savings Bank Account for pending arrears of locker rent and contact the customers for recovering arrears of locker rent. In the meantime, the Branch shall paste the red sticker on the locker as well as in the ledger sheet, for easy identification of lockers with pending rent and to restrict the operation in lockers with pending rent.

3. Type of Lockers, Annual Rent & collection of rent:

a) Branch may be provided with various types of locker units in different sizes and dimensions. Annual locker rent is fixed depending on the size of the locker and the centre at which the Branch is located.

b) The rates of rent payable for locker facility are fixed by the Branch, from time to time depending upon the location of the Branch, local demand for Lockers and the size / cost of the Lockers. Rent should be collected for the period of agreement or renewal thereof, in advance and credited to Income-Locker Rent Account.

4. Locker should not be let out for fraction of a year.

5. Revision of rent should be done once in two years, enhancing the rent by at least 10%, keeping in view the rent charged by other banks in the locality / place for different type of lockers. This fact has to be brought to the notice of all the hirers at the time of letting out or while issuing renewal notice well in advance.

6. If locker rent is collected in advance, in the event of the surrender of locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer.

7. On the report of the death of the hirer through any authentic source (accompanied by valid proof) or by any of the survivors in the joint locker (accompanied by valid proof), it will be recorded in the Branch records. Locker will be sealed and the sticker will be pasted with a note about the death of the hirer.

PART V: Break open of lockers

1. Access to the Locker will be denied if the rent is overdue.

2. The Branch shall have the discretion to break open any locker following due procedure if the rent has not been paid by the customer for three years in a row. The Branch shall ensure to notify the existing locker-hirer before any changes in the allotment and give him/her reasonable opportunity to withdraw the articles deposited by him/her.

a) Due date notice should be issued to the hirer/s 30 days in advance in the **F.No.1334**. If the rent is not paid within a reasonable time the concerned hirer/s should be suitably reminded and the matter to be followed up effectively. The arrears of rent should not be allowed to continue for **more than three years in a row** unless under exceptional circumstances where the hirer/s has/have deposit with the Bank and the Branch Head is confident of collecting it.

b) If the rent remains in arrears for **more than three years in a row**, a notice by Registered Post A/D should be sent to the hirer/s in the prescribed **F.No.ANNEXURE-I**. In this notice, the hirer/s is/are requested to pay the arrears of rent within 15 days from the date of receipt of notice failing which the Bank will be constrained to drill open the Locker, cost payable by depositor, without further intimation to the hirer and take possession of the contents.

c) If there is no favourable response from the hirer/s to the aforesaid notice within the stipulated period, steps should be taken to drill open the Locker, cost payable by depositor, with the help of a recognized dealer in Safe Deposit Locker on obtaining prior permission from the Regional Office. The drilling open of a Locker should be in the presence of 2 independent 'Panchas'(witnesses) apart from Bank's Officer, preferably respectable persons of the place, of whom one may be Bank's empanelled lawyer or his representative. A register should be maintained to record time, date, Locker Number, Name of the hirer/s, rent due to the Bank etc. and the details of the contents therein as per **Annexure II**. If nothing is found on the subject Locker, the same should also be noted in the register **B-10**. Signatures of the 2 'Panchas' with their permanent address should be obtained and countersigned by the Branch Head.

3. Before breaking open the locker, the Branch shall give due notice to the locker-hirer through a letter as per the format **Annexure -I**, email and SMS alert should be sent to the registered email id and mobile phone number. If the letter is returned undelivered or the locker-hirer is not traceable, the Branch shall issue a public notice in two newspaper dailies (one in English and another in local language) giving reasonable time (15 days from the date of Advertisement) to the locker-hirer or to any other person/s who has an interest in the contents of the locker to respond. In case the hirer/s do not respond, the Branch may proceed with break opening of the locker.

4. The locker shall be broken open in the presence of an officer of the branch and two independent witnesses (not in the employment of the Bank). Further, the branch shall also record a video of the break open process in a separate **pendrive** together with inventory assessment and its safe keeping and preserve, to provide evidence in case of any dispute or Court case in future. The Branch shall also ensure that the details of breaking open of locker are documented in Document Management System (DMS), apart from the locker register **B-10**. After breaking open the locker, the contents shall be kept in a sealed envelope with detailed inventory inside the fireproof safe in a tamper-proof way until the customer claims it. While returning the contents of the locker, the branch shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.
5. The Branch shall send a notice to the customer through Registered post with AD (as per format which is given in the **Annexure -II & III**) furnishing all the details such as date of break open, articles found inside the locker if any, and the total amount to be paid including pending rent as well as break opening charges, miscellaneous charges. A copy of the letter shall be marked to Treasury and Accounts Department, HO for records.
6. In case the customer fails to visit the Branch for claiming the articles found in the locker by paying the arrears of rent and other charges within the number of days specified in the notice (15 days from the date of Advertisement), the Branch shall seek permission from Regional Office for keeping the articles in Branch safe custody.
7. The Branch shall keep all the records related to break opening of lockers, copies of the notices, notices received undelivered, if any, etc. in a separate file and the file shall be kept inside the double lock without fail.
8. Branches shall seek permission from the Regional Office for auction of articles after 1 year from the date of break opening and if not claimed by the customer/ locker hirer/s.
9. If the locker remains inoperative for a period of seven years and the locker-hirer cannot be located, even if rent is being received regularly, the branch shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the

branch shall follow the procedure as prescribed in point nos. PART V-3, 4,5,6,7, 8 above.

10.If the key of the locker, supplied by the branch is lost by the locker-hirer, the customer (locker hirer) shall notify the branch immediately& the same shall be noted in Form No.566. An undertaking shall be obtained from the customer that the key lost if found in future, will be handed over to the branch. All charges for opening the locker, changing the lock and replacing the key should be recovered from the hirer/s along with arrears of rent if any.

The opening of the locker has to be carried out by the branch or its authorized technician only after proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker. The hirer/s should be informed well in advance the date of drilling open the locker.

The operation shall be done in the presence of the customer/s and an authorized official of the branch along with one independent witness. It has to be ensured that the adjoining lockers are not impacted by any such operations and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.

11.In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for the safe custody of the branch by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the branch shall co-operate in execution and implementation of the orders.

The branch shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker or articles in the safe custody of the branch. The customer (locker-hirer) shall be informed by letter as well as by email/SMS to the registered email id/mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the branch and

shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the branch records or handed over to the customer against acknowledgement.

The Branch shall also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video in separate pen drive (appropriately labelled such that it enables fair understanding of contents in it) which should be kept along with other documents to produce as evidence in case of any dispute or Court case or fraud case in future.

PART VI: Return of articles in the SDL

1. If the sole locker hirer nominates an individual to receive the contents in the locker, in case of his/her death, after verification of the death certificate and satisfying with the identity and genuineness of such individual nominee who approached, the branch shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken in the prescribed manner. In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates any other individual(s), in the event of death of any of the locker hirers, the branch shall give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s) after an inventory was taken in the prescribed manner. In case the locker was hired jointly with survivorship clause and the hirers instructed that the access of the locker should be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the provisions of the Banking Regulation Act, 1949, the branch shall follow the mandate in the event of death of one or more of the joint locker-hirers.

2. The Branch shall, however, ensure the following before giving access to the contents to the nominee / survivor:

- (i) Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of the death of the locker hirer by obtaining appropriate documentary evidence;
- (ii) Make a diligent effort to find out whether there is any order or direction from Courts/Forums restraining it from giving access to the locker of the deceased; and

(iii) Make it clear to the survivor(s) / nominee(s) that access to articles in the locker / safe custody articles is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to them shall not affect the right or claim which any person may have against the survivor(s) / nominee(s) to whom the access is given.

Similar procedure shall be followed for return of articles placed in the safe custody of the Branch

3.The Branch shall ensure that the contents of the locker, when sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further, the Branch shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of the Branch who is not associated with the locker facility or safe deposit of articles and the claimant (s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

4.The Branch shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody of the Branch, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.

5.While giving access to the survivor(s) / nominee(s) of the deceased locker hirer / depositor of the safe custody articles, Branch may avoid insisting on the production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination. In this regard, the branch shall take note of our instructions under Para VI-2 above.

6.In case, where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the survivors by a clear survivorship clause, the Branch shall seek advise from the Legal Department, HO to facilitate access to the legal heir(s) / legal representative of the deceased locker hirer. In this regard, the Branch shall take note of our instruction under Para VI-2 above.

Similar procedure shall be followed for return of articles placed in the safe custody of the Branch

PART VII: Notice & Search by Income Tax Department:

a). Under Section 132 of Income Tax Act, 1961, the Commissioner of Income Tax is empowered to authorize one or more Income Tax Officers to search any place, building, etc., and seize, if considered necessary, documents, valuables, duplicate accounts, etc., with a view to unearth undisclosed assets or income of any person. Since safe deposit Lockers are used to keep such documents, valuables, etc., such warrants are often issued by the Commissioner of Income Tax to search the Lockers in a Bank.

b) When a search warrant is received, the Branch Head should ensure that:-

i. Name and address of the Branch is mentioned therein as the place of search.

ii. The warrant is duly issued by the Commissioner of Income Tax with his signature and official seal.

iii. The name of the person whose Locker is intended to be searched is indicated.

iv. The names of the officers authorized to conduct the search have been given. Their identity should be verified with reference to the identity card issued by the Commissioner of Income Tax (These officers are referred to as 'Authorised Officers' hereinafter).

c) On verifying the search warrant as aforesaid and on ensuring that it has been properly issued, the Branch Head is required to afford all facilities to Authorised Officers for carrying out the search. The Bank has no obligation to contact the hirer/s and inform about the search as the Department itself does the job.

d) Where the key of the Locker is readily made available by the hirer/s to the Authorized Officer, the search is carried out immediately. If however, the key is not forthcoming, the Authorised Officer has power to drill open the Locker and search it. Nevertheless, he would not ordinarily do this without giving a reasonable opportunity to the hirer/s to produce the key unless he has reason to believe that the key is being intentionally held back by the hirer/s to gain time.

- e) When Authorised Officer decides to postpone the opening of the Locker, he will proceed to seal it and serve a prohibitory order on the bank (under Section 132[3] of the Income Tax Act) directing that the Locker should not be opened or allowed to be opened without the knowledge and written permission of the Authorised Officer and on such conditions as he may prescribe. This enables the Bank Official to refuse access to the Locker hirer/s even if the hirer/s insist/s by exercising rights under the hire agreement.
- f) On receipt of such orders, it should be properly recorded in locker register. Strict compliance of such order should be ensured by the Branch since persons contravening such orders are liable to be prosecuted under the provisions of the Act.
- g) Even after giving a reasonable time to the hirer/s to produce the key, if it is not made available, the Authorised Officer will proceed to drill open the Locker with the help of the dealer.
- h) Whether the opening of the Locker is done in the normal course or by force, it should be done in the presence of at least two witnesses. The search of the opened Locker is also done in the presence of the witnesses. The hirer/s of the Locker will also be invited to witness but his/their presence is not essential. The Bank officials may act as witnesses if required by the Authorised Officer.
- j) After search, the Authorised Officer will prepare a "Panchanama" setting out briefly all that has been done including where necessary, the circumstances which led to the drilling open of the Locker. This will be duly signed by the Authorised Officer and witnesses and a copy of the same will be handed over to the Branch Head. An inventory of the items seized, if any, will also be prepared and signed by the Authorised Officer and witnesses. A copy of the same will be handed over to the Branch Head.
- k) Instances of search conducted by Income Tax Department as described above should be informed to Treasury & Accounts Department.
- l) Similar search can be conducted by authorities like Commercial Tax Officer, Police or the court of law. In such cases, the procedure to be followed should be in the same lines as stated above. However, the legal adviser of the Branch may be consulted in the matter, if necessary.

PART VIII: NOMINATION AND SETTLEMENT OF CLAIMS

A. NOMINATION

In terms of the sections 45ZA, 45ZC and 45ZE of Banking Regulation Act 1949, the customers of the Bank are provided with the nomination facility. Accordingly an individual can be named as nominee to receive payment under Deposit account or to receive an Article kept for safe Custody or to have access to the contents of Safe Deposit Lockers in the event of the death of the Depositor. The procedure to be followed for accepting, cancelling, varying nomination and for payment/delivery to the nominee is outlined here below.

1 WHO CAN NOMINATE?

A nomination for a Deposit/Safe Custody of Article/Safe Deposit Locker can be made by the person in whose name such account is held. It can be made at the time of opening the account or any time subsequently until availing payment/delivery. In this connection the following points should be noted.

1.1 The hirer/s (individuals only) of a Safe Deposit Locker can make nomination at the time of hiring the Locker or at any time during the pendency of the hire agreement by making necessary entries in Safe Deposit Locker Master Sheet (F.No.565) and also in Nomination Register (B-106). The nomination should be made by the sole hirer as per Form **SL 1(F.No.1272)** and in the case of joint hirers, it should be made by all the hirers jointly as per Form **SL 1A (F.No.1273)**.

If the Locker stands in the name of a minor, nomination should be made by his natural / legal guardian only.

Nomination is optional for the customer. When nomination is not required it should be so mentioned specifically in the space provided for in the **F.No 565** without fail.

1.2 However, nomination can be made by the depositor only in respect of a deposit held in the individual capacity of the depositors and not in any representative capacity as the holder of an office or otherwise.

1.3 Nomination is required to be made separately for each Deposit/Safe Custody of Article/Locker. For example, if a person maintains Three Deposit accounts, nomination is required to be made for each of the three accounts separately.

1.4 Where a Deposit/Locker stands in the name of two or more persons, nomination should be made by all such persons jointly.

1.5 Where a Deposit/Safe Custody of article/locker stands in the name of a minor, the nomination can be made for such account only by the natural/legal guardian or the guardian appointed by the court.

2 WHO CAN BE THE NOMINEE?

2.1 A nominee cannot be an Association, Trust, Society or any other Organisation or any Office-bearer thereof in his official capacity.

2.2 Even in respect of joint Deposit Account there cannot be more than one nominee.

2.3 Nomination facility is not available in respect of persons jointly depositing Articles for Safe Custody.

2.4 If nominee is a minor, it is necessary to appoint an individual who is not a minor to receive proceeds of the Deposit/Articles kept under Safe Custody or to avail access to the Locker on behalf of the minor in the event of death of the account holder during the minority of the nominee.

3 HOW IS NOMINATION ACCEPTED?

3.1 At the time of opening of the Deposit account or keeping the Article for Safe Custody or hiring a Locker or subsequently, the account holder should furnish a letter in the prescribed **F. No. 1201, SC1, SL1(F.No.1272)** indicating there in the name of the nominee. An acknowledgement (**F.No.1216**) should be furnished to the account holder for having recorded the nomination. The fact of having recorded the nomination for an account should be fed to finacle system and also in Nomination Register (**B-106**) with due authentication.

3.2 In case the Depositor opts for disclosure, then only the Branch has to indicate the name of the nominee in respective passbook/deposit receipt. If not, the Branches shall indicate only the registration number of nomination appearing in the Nomination Register (B-106).

4 CANCELLATION/VARIATION OF NOMINATION

4.1 An account holder who has made a nomination for a Deposit/Safe Custody of Article/ Locker can cancel such nomination at any time before payment/delivery under the account. Similarly, the nomination once made can also be varied by the account holder. Such cancellation/variation should be requested by the account holder in writing, in the prescribed form 1277, SC2, 1274, 1278, SC3, 1275. If the account is held in the names of two or more persons, the request for cancellation/variation should be made jointly by all the account holders. If the account is held in the name of a minor, the request for cancellation/variation should be made by the natural/legal guardian or the guardian appointed by the court.

4.2 The request for cancellation/variation of nomination should be updated in finacle system and also in the Nomination Register with due authentication.

5 EFFECT OF NOMINATION

5.1 Where a nomination is made for a Deposit/Safe Custody of Article/Locker the Branch can pay the Depositor/deliver the Safe Custody Article/allow access to the contents of the Locker to the nominee in the event of death of account holder without resorting to settlement of claims. Where account is held in the names of two or more persons, the payment/delivery to the nominee can be made only after the death of all the joint account holders.

5.2 It should be noted that the bank is protected fully by the provisions of Banking Regulations Act in making the payment/delivery to the nominee even though the formalities of identifying the legal heirs and settlement of claims are not complied with. The bank stands fully discharged against all counter-claims from the legal heirs of the deceased account holder. However, it should be clearly noted that the payment/delivery to the nominee shall not be made if the account is attached by a court order or injunction/prohibitory order by competent authority.

5.3 Before allowing access to the operation of Locker or delivering the articles to the nominee/s upon the death of the hirer/s, an inventory of articles in the Locker should be prepared as prescribed in Annexure - IV and duly attested by at least 2 witnesses. Further, in case the nominee(s) / survivor(s) / legal heir(s) wishes to continue with the locker, branches may enter into a fresh contract with nominee(s) / survivor(s) / legal

heir(s) and also adhere to KYC norms in respect of the nominee(s) / legal heir(s). Branches are not required to open sealed / closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers / depositor of safe custody articles.

5.4 Where in the case of joint Locker holders, one of the joint Locker holders expired after having duly appointed a nominee, the access to and to the contents of the Locker shall be allowed to the nominee of such deceased Locker holders and the surviving joint Locker holders. However preparation of inventory in **Annexure-IV** as stated above is required.

5.5 In the absence of nomination, access to and to the contents of the Locker can be allowed to the legal heirs of the deceased hirer/s only after getting their claims duly sanctioned by the Legal Department, Head Office.

5.6 If needed, nomination can be cancelled by the hirer/s by using Form **SL2 (F.No.1274)**.

5.7 Nomination can also be varied by the sole hirer by using Form **SL 3A (F.No.1276)**.

6 PAYMENT/DELIVERY IN THE EVENT OF DEATH OF ACCOUNT HOLDER

6.1 Payment/delivery to the nominee arises only in the event of death of the account holder. In the case of accounts held by two or more persons, payment/delivery to the nominee arises only on the death of all the joint account holders. However, in the case of Safe Deposit Lockers held in the names of two or more persons, access thereto can be allowed to the nominee along with the surviving account holders on the death of any one of joint account holders provided the terms of nomination are so recorded.

6.2 Payment/delivery to the nominee can be made on satisfying the following conditions:

6.2.1 Proof of death of the account holder has been provided by production of death certificate or such other authentic records.

6.2.2 The nomination in favour of the nominee is duly recorded with the Branch and it has not been cancelled or varied.

6.2.3 The Branch has not received any order from the court of law attaching the account or injunction/prohibitory order by competent authority.

6.2.4 The nominee has been properly identified by a Magistrate or Judicial Official or an Officer of the Central or State Government or an Officer of a Bank or Two persons accepted to the Bank or two persons known to the Branch. The person/s identifying should witness the payment/delivery and sign as such as per **Annexure-X**.

6.2.5 In the case of locker hirer/s, the payment to the nominee should be made on obtaining a stamped receipt. In the case of Safe Custody of Articles, an inventory of the Articles to be delivered should be prepared and a copy be given to the nominee along with the articles after taking acknowledgement as per **Annexure-XI**. Similarly, in the case of Lockers, inventory should be prepared and the contents and the copy of the inventory should be delivered to the nominee and the surviving joint hirer, if any, after taking acknowledgement as per **Annexure XII**. The acknowledgement is to be duly witnessed at least by two persons.

6.2.6 It should be noted that any letter/notices from third parties claiming the payment/delivery under the account where nomination has been duly recorded shall be ignored by the Branch.

6.2.7 Production of original deposit receipt (if made during locker hiring) is necessary for claiming the amount of deposit after the death of the depositor/s. However, in the absence of original deposit receipt for claiming the amount thereof; the issue has to be treated on the same line as if the depositor has not produced the original receipt.

6.2.8 The above said deposit cannot be transferred to/in the name of the nominees before the due date of the deposit that is standing in the name of the deceased depositor/s without disturbing the original contract.

6.2.9 No loan can be granted to the nominee against the above said deposit of the deceased depositor/s, but premature payment of the deposit to the nominee may be allowed after satisfying the conditions mentioned earlier.

7 NOMINATION FILE

All the papers concerning nomination, cancellation/variation thereof and payment/delivery to the nominee should be preserved separately in a file titled 'Nomination File'.

B SETTLEMENT OF CLAIMS

1 INTRODUCTION

It is essential to bestow special attention towards prompt and judicious settlement of claims with least hardship to the claimants particularly at the time of their bereavement. It also becomes imperative in the context of improving customer service and building up the image of the Bank. When persons inheriting the assets of a deceased account holder approach the Bank for settlement of claims, they have to be properly counselled. This will enable expeditious settlement of claims.

2 WHEN CLAIM ARISES?

Claim arises in the absence of nomination. The various situations in which a claim may arise are as follows:

2.1 Legal heirs of a deceased Depositor claiming the amount standing to the credit of account of the deceased.

2.2 Legal heirs of the deceased owner of the securities for advances claiming such securities such as gold ornaments, share certificates, etc.

2.3 Legal heirs of the deceased owner of Articles kept for Safe Custody claiming such articles.

2.4 Legal heirs of the deceased hirer of Locker claiming the contents of the Locker.

2.5 When an account holder is deceased and a claim arises in any of the circumstances mentioned above the following information should be collected to determine the nature of claim papers to be submitted;

2.5.1 The religion of the deceased.

2.5.2 Whether the deceased has died testate or intestate i.e. whether the deceased has left behind a will/settlement or not.

2.5.3 If testate, whether the will is probated.

2.5.4 Legal heirs of deceased and their relationship with the deceased.

2.5.5 Details/description of the Deposits/Securities.

2.5.6 Whether the deceased is liable to the Bank, directly or indirectly.

2.6 On collection the above information, the parties approaching for the settlement of claims should be promptly guided at the counselling stage itself about the various papers required for the purpose and other relevant information. While doing so, care should be exercised to ensure that there is no scope for indenting piecemeal information subsequently. Guidance should be given in the light of 'Formula of Succession' under various circumstances as furnished in **Annexure-XIII** and other instructions contained therein.

3.SUBMISSION OF CLAIM PAPERS

3.1 The claimants should submit a claim Enquiry Form (**F.No.1232**) which is common for all types of claims. This form should be carefully filled following the instructions contained therein. It should be accompanied by the following papers:

3.2 Original Death Certificate or copy thereof duly attested as true copy by the Gazetted Office/Notary Public/Magistrate/Panchayat Chairman/Village Accountant/Branch Head.

3.3 Where the claim is based on Succession Certificate/Probate/Letter of Administration granted by a competent Court, a certified copy of such order.

3.4 If the claim relates to an intestate death;

3.4.1 Where the amount/value of the assets claimed is 10,000/- or less a certificate from the Branch Head or two respectable persons known to the Bank.

3.4.2 Where the amount/value of the assets claimed is more than 10,000/- affidavit in the form prescribed in **Annexure-XV** from two respectable persons known to the bank.

3.5 While obtaining the claim papers as stated above, the following points should be borne in mind:

3.5.1 Death Certificate issued by any of the following authorities can be accepted:-

- i. Municipality/Corporation
- ii. Registrar of Births & Deaths
- iii. Village Head Main/Village Accountant
- iv. Panchayat Officer/any other authorized official of the Government

v. Certificate issued by the Hospital or Nursing Home where the Depositor /account holder died.

vi. Parish Priest

vii. The affidavits obtained as prescribed in Annexure - XIV or XV should be on non-judicial stamp paper of requisite value and duly attested by a Notary Public/Gazetted Officer/Magistrate.

3.5.2 Affidavit of two respectable persons may be given as per Annexure - XV.

3.5.3 The claim enquiry form in F.N.1232 should be complete in all respects and signed by all the claimants who have been identified as legal heirs.

3.6 In case any of the claimants is a minor, the F.No.1232 should be signed by the guardian on behalf of the minor.

3.7 It should be noted that in case of Hindus/Christians, father is the natural guardian of his minor child and if the father is not alive, mother of the minor is the natural guardian. In case both of them are not alive, only a person appointed by the Court can act as a guardian. In the case of Mohammedans, the order of guardianship is as under:

3.7.1 Father

3.7.2 Person appointed by father's will

3.7.3 Father's Father

3.7.4 Person appointed by the will of the Father's Father

3.7.5 Person appointed by the Court.

3.8 When the claim is based on a Court Order, the order itself is sufficient to make a valid claim. If executors/administrators have been duly appointed by the Court, F.No.1232 should be signed by executors/administrators.

3.9 The details of the amount due to the deceased should be furnished with particulars such as account number, nature of account, due date, rate of interest payable etc. Similarly, where the claim is in respect of securities/Articles should be furnished together with the particulars of Loan/**Locker**/Packet No., mode of valuation, direct or indirect liability, charges, if any, due to the Bank.

4 SETTLEMENT OF CLAIMS AT THE BRANCH

4.1 All claims in respect of safe deposit lockers and safe custody articles will be settled at Head Office (Legal Department). Branches and Regional Offices will have no power.

PART IX: Installation and upkeep of Lockers

Safe Deposit Lockers are normally installed in Branches where Strong Room is available and where adequate local demand exists. The Branches provided with Safe Deposit Lockers should ensure that adequate facilities such as privacy to the hirer/s, table/mirror/stool and chair inside the Strong Room are provided. Such Branches should also ensure that the Safe Deposit Lockers and the Strong Room are kept neat and clean. The Lockers should not be used to keep any cash, valuables, etc., of the Branch.

PART X: Settlement of claims in respect of missing persons

Legal Position - The settlement of claims in respect of missing persons shall be governed by the provisions of Section 107/108 of the Indian Evidence Act, 1872. Section 107 deals with presumption of continuance and Section 108 deals with presumption of death.

As per the provisions of Section 108 of the said Act, the presumption of death can be raised only after a lapse of seven years from the date of his/ her being reported missing. As such, the nominee/ legal heirs have to raise an express presumption of death of the subscriber under Section 107/ 108 of the Indian Evidence Act before a competent court. If the court presumes that he/ she is dead, then the claim in respect of a missing person can be settled as is done for any other explained above.

PART XI: Confidentiality

Branch will ensure utmost secrecy of the Safe Deposit Lockers hired by the customer and shall not divulge any information about the hiring of lockers, mode of operation, etc. to anyone, except when the disclosure is required to be made with the clear consent of the hirer(s) or in compliance of the orders of a competent authority having statutory powers.

PART XII: Master Key and Locker Keys:

The manufacturer of Safe Deposit Locker provides Master Key (in duplicate) which is common for all the Lockers in one cabinet and only one key for each locker. The Individual locker keys are to be embossed with the Bank Code & Branch Code. The Master Key should be recorded in the Key Register and signed by the Joint Custodian in charge of Safe Deposit Locker. The duplicate Master Key should be deposited with a

local Branch / Bank for Safe Custody along with duplicate keys of Safe and Strong Room.

a) The Branches provided with safe Deposit Lockers should maintain 'Index Book' for the Lockers and the keys thereof. The keys of the vacant Lockers should always be kept under dual control. These should be verified with the list of vacant Lockers once in six months and at the time of change of Joint Custodian in charge to ensure that the keys are intact.

b). The Master Key held by the Joint Custodian in charge of Lockers should always be kept under dual control overnight.

PART XIII: Stoppage of Locker Access

If prohibitory order from a competent authority or a Court appointing a Receiver in respect of the Locker is received by the Branch, access to the specified locker will be stopped immediately. This will be marked physically on the Locker as well as in the Branch records.

In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for the safe custody of the Branch by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the Branches shall co-operate in execution and implementation of the orders.

The Branch shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker or articles in the safe custody of the Branch. The customer (locker-hirer) shall be informed by letter as well as by email/SMS to the registered email id/mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses, and an officer of the Branch and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the Branch's records or handed over to the customer against acknowledgment.

The Branch shall also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or Court or fraud case in the future.

PART XIV: Hiring of Locker to staff members:

Bank staff can also hire Lockers in their own names. However, they should not be permitted to hire Lockers jointly with clients other than their close relatives.

PART XV: Indent for Lockers:

a) Only those Branches having strong room built as per IBA specification shall submit indents for Lockers.

b) A list of prospective hirers should be prepared with the size of the Locker required by them. The list should include only the names of persons who are reasonably certain to hire Lockers when provided.

c) The demand for Lockers and the rent charged by other local Banks may also be ascertained to assess the need.

d) Number of Lockers of various sizes required should be arrived at on a very conservative basis and the indent should clearly spell out the basis and reasoning of assessment.

e) Indent for Lockers should be submitted in the prescribed indent Form as per Annexure-XL, to Treasury & Accounts Department with the following details:

i) List containing the names of persons who have promised to hire Lockers when provided.

ii) Quotations for the Locker of the required capacity.

iii) Branch Head's specific report as to the scope for mobilizing additional deposits after providing the Locker facility along with recommendations.

f) On obtaining sanction from Treasury & Accounts Department, a formal order for Locker unit may be placed with the dealer and all the enlisted prospective hirers may be informed about the rent and other terms and conditions of allotment and their confirmation of acceptance may be sought. The list of prospective hirers should be maintained on an on-going basis to facilitate allotment of Lockers on first-come first-serve basis subject to their adherence to the Bank's terms and conditions.

PART XVI: Valuables found in Strong / Locker Room

- i.Branches should have a system of having the Strong / Locker Room inspected by the joint custodian towards the end of the business on daily basis. This will enable the Branches to send notice under 'certificate of posting' calling upon all those hirers who have operated the Lockers on the material date without disclosing the identity of valuables left behind in the Strong / Locker room.
- ii.Such items shall be entered in the Undelivered Securities Register, by allowing separate folios for the purpose. Reasonable efforts may be made to trace out the real owner.
- iii. In case the claimant does not turn up at the Branch within a reasonable time or when the claim is not established, the Bank may detain the article for a minimum period of three years and thereafter the article/s may be handed over to the police with prior permission from Treasury & Accounts Department.

PART XVII: Other guidelines

- 1.Articles found in the locker if not claimed by the hirer for 3 years from the date of break open shall be disposed of in public auction to recover the rent and other incidental charges if any. The excess amount, if any, shall be credited to the operative account of the customer/ locker hirer/s.
- 2.In case the SDL facility is surrendered by the customer before the end of the Financial Year for which the rent is already paid, the Branch may refund the locker rent already collected for the remaining period on prorata basis after taking permission from Treasury and Accounts Department, HO through DMS.
- 3.There shall be a system of inter change of locks whenever the locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes. The duplicate master keys shall be deposited with another branch of the branch. There shall be a proper record of joint custody of master keys. The Branch shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the branch who is not connected with their custody and proper record shall be maintained as proof of such verification.
- 4.The Branch shall ensure that the Locker key details are entered in CBS while allotting the SDL.

5. The branch custodian of the locker room shall carry out a physical check of the locker room at the end of the day to ensure that lockers are properly closed and that no person is inadvertently trapped in the locker room after banking hours.
6. If there is an event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the Branch shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, Branches shall make efforts to intimate their customers suitably at the earliest.
7. The branch shall ensure that the entry and exit of the strong room and the common areas of operation is covered under CCTV camera and preserve its recording for a period of not less than 180 days. In case any customer has complained to the branch that his/her locker is opened without his/her knowledge and authority, or any theft or security breach is noticed/observed, the branch shall preserve the CCTV recording (in a separate pen drive which shall be kept in double lock) till the police investigation is completed and the dispute is settled.

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SOP for SAFE CUSTODY ARTICLE

PART XVIII: SAFE CUSTODY ARTICLE

1. INTRODUCTION

Accepting articles for Safe Custody is one of the subsidiary services that a Bank renders to its customers. While rendering this service, the Bank and customer are in the relationship of bailee and bailor. According to the Indian Contract Act, in a contract of bailment, the bailee should take same care of the property entrusted to him for Safe Custody as a reasonably prudent and careful person is expected to take of his own property of like description.

2. ACCEPTING ARTICLES FOR SAFE CUSTODY

i. All Branches can accept articles for Safe Custody subject to availability of space in the Safe. The customers who desire to deposit articles with the Branch for Safe Custody should make an application in the form prescribed in Annexure-V.

ii. The Branch can accept the articles for Safe Custody on observing the following procedures:-

a) The articles intended to be deposited should be securely packed in packets, boxes, envelopes, etc. and sealed. The Bank's seal should not be used. If the customer does not have a distinctive seal of his own, the packets, boxes should be signed by him across the folded edges of the cloth or pasted edges of the envelope.

b) The name and address of the depositor should be clearly written on the packet/box/envelope.

c) A receipt should be prepared, in duplicate, in the form prescribed in Annexure-VI and it should be allotted a serial number. The particulars of articles should be entered in the Register (B-10) of Bank's own Documents/Safe Custody Articles/Securities lodged for collection of interest, etc.

d) The receipt should be signed by the Authorised Official after verifying the correctness of the entries in the Register and the article deposited. The serial number allotted to the article should be indicated thereon in red ink. A superscription "Contents not known" should be clearly made on the packet/box. The acknowledgement of the depositor should be obtained in the duplicate copy of the receipt and held in "Safe Custody Articles File".

iii. Safe custody charges should be collected at the rates prescribed by Treasury & Accounts Department from time to time.

iv. Bank's term deposit receipts may be accepted for Safe Custody without insisting upon their being placed in a sealed cover.

v. If the sealed envelope is declared to contain a WILL, the depositor should give instructions in writing as to the disposal of the article in the event of his death.

vi. If the deposit for Safe Custody is made by two or three persons jointly (not more than three), the application and the instructions, if any, be signed by all the persons.

vii. Branches with strong room facility alone can accept Bank's term deposit receipts and packets containing duplicate keys of Safe, Strong Room, etc. of local Branches/Banks for Safe Custody.

3. ACCEPTING SECURITIES FOR SAFE CUSTODY AND COLLECTION OF INTEREST

At times, customers may desire to deposit Government Securities, share certificates or other securities for Safe Custody with standing instructions to collect interest, dividend thereof. In such cases, the procedure prescribed for Safe Custody of articles should be complied with. In addition, proper letter of authority or mandate letters have to be furnished in favour of the Bank to enable collection of Interest. Such mandates / letters should be got registered with the concerned company. The securities should be got endorsed in favour of the Bank wherever necessary. The securities deposited as aforesaid should be recorded in the Register **B-10** allotting a separate folio therein. Due date for interest / dividend should be recorded therein and properly diarised. Prompt collection

of interest / dividend and its disposal in accordance with the instructions of the Depositor should be ensured.

4 .WITHDRAWALS

When a Depositor desires to withdraw the articles deposited for Safe Custody, he should call on the Bank and produce the Safe Custody Receipt. The space for withdrawal provided in the Safe Custody Receipt should be duly completed and signed by the Depositor. The signature of the Depositor should be verified with reference to the application and certified by the Authorized Official as 'Verified and found correct'. The articles deposited can be returned to the Depositor after ensuring that the arrears of rent / commission, if any, are collected. The date of withdrawal should be noted in the Register and the serial number rounded off. The Safe Custody Receipt so returned should be held in the "Safe Custody Articles File".

5. RETURNING ARTICLES BY POST

The articles deposited for Safe Custody can be returned by post if requested so by the Depositor, only where the article deposited is Bank's term deposit receipt kept in an unsealed cover. In such cases, the depositor is required to furnish the Safe Custody Receipt with the receipt for withdrawal duly discharged across a revenue stamp of **Rs.1** besides a letter requesting to return the article by post. The correctness of the signature of the depositor in the receipt should be verified and certified by the Authorised Official. The article should be returned by Registered Post [Acknowledgement Due] to the specified address duly noting the fact in the Register **(B-10)**. The acknowledgement when received should be held in "Safe Custody of Articles File" together with the receipt. Before returning the articles by post, collection of rent / commission in arrears, if any, and postage should be ensured.

6. DELIVERY OF ARTICLES TO AN AGENT

When the Depositor desires to authorize an Agent to take delivery of the articles deposited for Safe Custody, he should surrender the Safe Custody Receipt with a letter of authority as prescribed in **Annexure-VII**. In addition, he has to state, in the Safe Custody Receipt as "In terms of my letter of authority dated..... please deliver the article covered by this Safe Custody Receipt to Sri"". The

correctness of the signature of the depositor should be verified and certified by Authorised Official. The article can be delivered to the Agent on obtaining his signature on the receipt for withdrawal in the Safe Custody Receipt. The signature of the Agent in the receipt should be verified with reference to the letter of authority and certified by the Authorised Official. The delivery of the article to the Agent with the date should be entered in the Register and the serial number rounded off. On delivery of the article to the agent, a letter should be addressed to the Depositor requesting him to confirm the receipt of the article. All the papers connected with the delivery of article should be held in "Safe Custody of Articles File". Arrears of rent / commission, if any, should be collected before delivery of articles.

7 LOSS OF RECEIPT

There may be instances where the Depositor reports loss of Safe Custody Receipt. On receipt of the intimation from the Depositor in writing and on execution of a duly stamped indemnity letter in **F.No.1227**, a duplicate Safe Custody Receipt can be issued indicating on the top thereof as duplicate receipt. The report of loss of receipt and issue of duplicate in lieu of the original should be noted in the Register **(B-10)**. The withdrawal of the article is made on observing usual formalities.

8 MISCELLANEOUS

i. Safe Custody

The articles deposited for Safe Custody should always be kept in Safe or Cabinet in the Strong Room. They should not be kept in open shelves / racks. It should be noted that the Bank holds responsibility in preserving the articles deposited even though it has not taken notice of contents of the packet/box/envelope while accepting it for Safe Custody. The articles deposited for Safe Custody should be verified with reference to the Register **(B-10)** once in a month and a certificate submitted to Treasury & Accounts Department on half yearly basis. Besides, such verification should also be made at the time of change in officer-in-charge of Safe Custody articles.

ii. Safe Custody Receipt

The Safe Custody Receipt should be issued in a letterhead of the Bank in the format as per **Annexure-VI**. The serial number allotted to the article in the Register should be indicated conspicuously in the receipt. One receipt is required to be issued for each

packet/box/envelope separately even though deposited by the same person. The practice of issuing one receipt covering two or more articles should be totally avoided in order to enable part withdrawals. There may be instances where the Depositor desires to

withdraw an article and re-deposit the same after a certain period. In such cases, the re-deposit of the article can be accepted on issue of a fresh receipt, allotting a fresh serial number.

iii. Nomination

a. The Depositor/s of Safe Custody articles can appoint a nominee at the time of deposit or at any time during the pendency of the deposit by submission of the requisite form **SC 1** duly signed. If the Depositor is a minor, the nomination form should be signed by his natural / legal guardian.

b. Nomination can be made in favour of one individual only. If such individual is a minor, the Depositor should name another person who is not a minor to represent / receive the articles on behalf of the minor at any time during his minority. The person so named need not be the natural / legal guardian of the minor.

c. The fact of a nominee being appointed for any item of Safe Custody article should be recorded, in the duplicate copy of the Receipt for Safe Custody articles and the register **(B-10)**

d. In the event of the death of the Depositor or in the case of joint deposit the death of all the joint holders, the articles lodged for Safe Custody can be delivered to the nominee after proper identification. Before delivery of the articles, an inventory of the same should be prepared as prescribed in **Annexure-IX** duly signed by the nominee and attested by two persons.

e. The delivery of the articles to the nominee as stated above can be made by the Bank even if notices to the contrary have been received from third parties. However, the articles shall not be delivered to the nominee if the order of a court with proper jurisdiction has been received.

f. If the Depositor of Safe Custody articles has not appointed any nominee, the articles upon his death can be delivered to his legal representatives after getting their claims duly sanctioned by Legal Department.

g. Lodgment of duplicate keys

i) Local Banks/Branches may approach for lodgment of duplicate keys of their safe/strong room, etc. for Safe Custody. In such cases, the application need not be as in Annexure-V. It may be obtained in the form of an ordinary letter requesting to accept the articles said to contain for Safe Custody.

This letter is required to be signed by both the Joint Custodians of the Bank/Branch. The receipt issued to the Bank / Branch should contain the words "withdraw-able on the joint signatures of the Joint Custodians only" written on it. The Bank/Branch should be asked to inform the changes in the Joint Custodians and also to furnish their specimen signatures from time to time.

ii) Usually the duplicate keys deposited for Safe Custody are required to be withdrawn and the keys in use be re-deposited periodically. Even though the exchange of keys occurs on the same day, the deposit of keys in use should be treated as a fresh deposit and fresh receipt issued thereof.

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